



WE SUPPORT

The CEO Water Mandate

Exploring the Business Case for Corporate Action on Sanitation – Sep. 2014

Background

The CEO Water Mandate is a special initiative of the UN Secretary-General, and released this report, *Exploring the Business Case for Corporate Action on Sanitation*, in response to a recent UN Deputy Secretary-General call to action. The CEO Water Mandate foresees sanitation moving into a more prominent role in the upcoming Sustainable Development Goals.

The sanitation crisis affects all aspects of communities and the environment; businesses are not immune. In fact, since the 1842 report igniting England's sanitation revolution, "The Sanitary Conditions of the Labouring Population" businesses have been central. This report is meant to encourage the private sector to act as champions and facilitators of improving access to sanitation worldwide. Ideas articulated throughout the report may be helpful to iDE staff angling to engage in corporate partnerships.

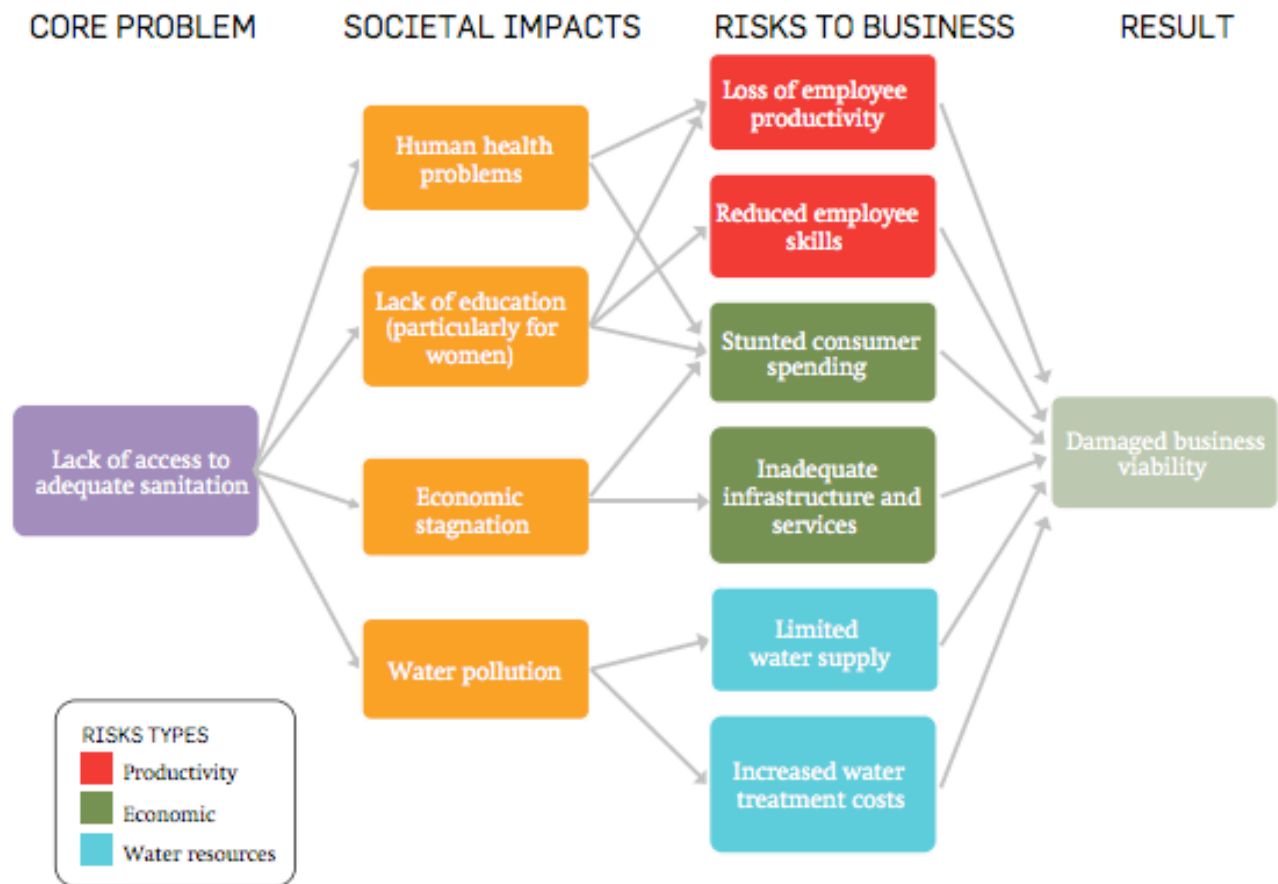
Key Points

- Inadequate sanitation is bad for business, but small investments can have a big impact. A 2009 UN-Water Study asserted improved sanitation gives households an additional estimated 1,000 hours a year to work, study, etc.
- Sanitation and business are inextricably linked through multiple pathways: health, education, economy, and the environment. In each aspect, sanitation quality deficiencies have adverse effects on businesses.
- Corporate action may be taken at a variety of levels. Engagement grows from acknowledging the importance of the problem, to ensuring proper sanitation services in value chains, making social investments, and finally to engaging in partnerships and collective actions that advance sanitation coverage.

Impacts of the Sanitation Crisis on Business

The human health impacts of feces contamination can have a wide impact, including the employees of major businesses, their suppliers, and the communities in which they operate. Businesses have a direct interest in employees having reliable access to improved sanitation – both at work and home.

From a business perspective: “We believe that investing in workers’ health and improving their lives will *contribute to decreased absenteeism, worker turnover, and sick leave at our suppliers, which subsequently benefit production productivity and our business outcome.* This is one example of how we identify **shared value initiatives** by which we can have a positive impact both on our business and at the same time on the wider communities we are a part of” - Anna Eklof Asp, Sustainability Project Leader, H&M India



Impacts of the Sanitation Crisis on Business

Education for Future Talent

Lacking sanitation impacts not only individuals' livelihoods but also prevents the development of a skilled workforce and is a barrier to talent recruitment. Expanding operations in the global south is dependent on education.

Strong Economies for Thriving Markets

Resulting economic losses suppress purchasing power, stall effective governance, and block infrastructure investments necessary for a stable business environment.

Safe Water and Environment for Reduced Operational Costs

Raw sewage pollutes not only drinking water but also water used for agriculture and industry. Many industrial processes are chemically sensitive; the high BOD load of feces requires higher on-site pretreatment costs.

Other Opportunities

Maintaining the social license to operate – Companies that choose to invest in improving environmental sustainability and social equity locally are more likely to gain credibility throughout the communities in which they operate.

Enhanced reputation among consumers – For both consumers and investors, the importance of corporate social responsibility has been growing. Increasingly, many consumers are willing to pay a premium for ethical and environmentally friendly products.

New business ventures – Business opportunities exist at every value chain stage: capture, storage, transport, treatment, and reuse. Treated waste has the potential to be a valuable resource. Support products, such as soap and sanitary pads must also be offered. These growing markets will create jobs to support a health economy.

Corporate Action on Sanitation

Once businesses have acknowledged the benefit of supporting sanitation, how can they actually contribute?

Core Business Operations and Value Chain

There is a minimum expectation for businesses to provide sanitation access to all employees in core operations and along supply chains. Especially in parts of the value chain located in developing countries, businesses should incentivize their suppliers to improve sanitation in workplace environments. The WASH at the Workplace Initiative, organized by the World Business Council for Sustainable Development, commits companies to dedicating themselves to providing appropriate sanitation for “all employees in all premises under their control.”

Social Investment and Philanthropy

Moving past implementing sanitation internally, social investment is a step above and beyond. However, companies should remember, as a fundamental human right, sanitation action may be accompanied by legal implications and societal expectations.

- The ultimate duty to fulfill human rights falls on the state; businesses should...
 - Avoid making isolated interventions
 - Coordinate with local or national governments
 - Focus on enhancing previously established public interest goals and approaches
- Addressing human rights involves participation, transparency, and equity
 - Maintain consistency with these principles

Corporate Action on Sanitation

Partnerships and Collective Action

Partnerships synergize efforts. Businesses specifically can provide much-needed financing and technical expertise. Particular aspects of sanitation addressed by various actions include:

- Financing the provision of services (throughout the sanitation value chain)
- Promoting hygienic behavior
 - Supporting behavior change
- Capacity building
 - “Providing assistance that, for example, aids community members in constructing and maintaining sanitation systems or curriculums that foster awareness”
- Advocacy (for public policy)
- Research and development
 - Technological solutions
 - Business models
- Social enterprise interaction
- Financing (any of the above actions or objectives)

“The corporations that win in today’s competitive, resource-scarce and hyper-transparent world are those that create real value for society. They are those who see their success as inextricably linked to the success of the world around them.” (pg. 21)

Appendix A – Includes a list of companies already engaging in sanitation and the extent of their efforts. It can be found on pg. 27. **Find the entire report [here](#).**

Product of the WASH Knowledge Management Department.

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